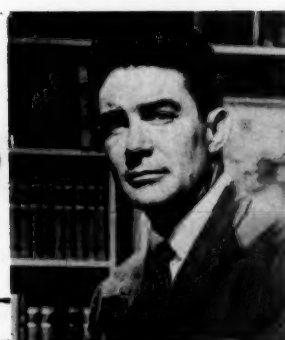


# THE *Dan Smoot Report*

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DAN SMOOT

## Clasped Hands of the AFL-CIO

In the Report of May 12, 1958, I related a series of events which, I said, *proved that the effective leadership of the present Senate of the United States is controlled by union bosses.*

I included the House of Representatives in this allegation by saying: *Congress will not seriously consider any legislation that union bosses do not want.* I concluded that we are headed for a socialist-labor government.

A few thoughtful persons have challenged these assertions. So, I repeat them and call upon a member of Congress for proof.

Congressman Ralph Gwinn (Republican, New York) says that the AFL-CIO made contributions — in money, and in workers to ring door bells and telephones, and to pass out literature — to the campaigns of 175 of the present members of the House of Representatives. Some of the Congressmen are themselves union card carriers. All 175 of them vote the way AFL-CIO bosses demand.

Thus, unions directly control 40% of the House of Representatives — not to mention the large number of "moderates" in the House who are always "sensitive" to union wishes.

Congressman Gwinn says:

*And it's just the same in the Senate—worse, even, for the AFL-CIO almost has a majority there, including such men as Douglas of Illinois, Humphrey of Minnesota, McNamara of Michigan, and Kefauver of Tennessee.*

These are all Democrats; but Republican Congressman Gwinn could name as many Republican Senators who are also in Walter Reuther's hip pocket.

Congressman Gwinn was speaking to a group of Illinois businessmen.

He said:

*I've come here to assign you a job, and that is to change the face of Congress for the next eight or ten years, until we get a reaffirmation of the limitations on Congress to spend*

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*and borrow. We must make the Constitution so clear that even the Supreme Court of the United States can't misinterpret it. . . .*

*The United States is undergoing a "Reuther depression," which is being financed by unemployment insurance in Washington. The unions, therefore, can keep their tremendous funds intact.*

*We are now in a tragic American revolution which is almost over, except that we still have a chance to fight for our liberty as we have done before. The AFL-CIO only has to win 1 or 2 (not over 4) percent of the labor vote to control 175 members of the House.*

*You (American businessmen) need manpower to get candidates for Congress who are committed to constitutional government; and you've got to enlist in this fight for the duration.*

*The following comments are extracted from a speech which Congressman Ralph Gwinn made to a women's organization in Pittsburgh — dwelling on the same theme developed in his speech to the Illinois businessmen: namely, that unions control the Congress of the United States.*

*Last month, I was visited by one of the most prominent businessmen in America. He had contributed towards the tens of millions that the business world contributed for the reelection of President Eisenhower—but hardly a dime, and little time, for the election of a Congress.*

*This man wrote the President, "outlining what he regarded as "must" legislation in labor-management relations:*

- 1. compulsory union membership requirement should be abolished by Federal Law;*
- 2. anti-trust laws should be extended to cover the activities of organized labor;*
- 3. there should be further prohibitions against secondary boycotts;*

*4. there should be an effective prohibition against union political actions;*

*5. mass violence should be subject to federal law.*

*I had to tell my visitor that his proposals hadn't a ghost of a chance in this Congress: while the businessmen were electing a President in 1956, the AFL-CIO was electing a Congress.*

*Few pieces of legislation pass contrary to the recommendations of the leaders of organized labor.*

*The first Session of the 85th Congress, passed no such legislation; neither did the entire 84th Congress; and I defy anyone to point to a single bill in the present session of the 85th that has a chance of passing if it is against the will of the AFL-CIO.*

*A national right-to-work law was proposed in the House Committee on Education and Labor almost four years ago, but lost by a three-to-one vote — 18 to 6. Today, 20 out of 30 members on the Education and Labor Committee would vote against a right-to-work bill and for compulsory unionism.*

*Another proposal, long favored by business — the application of the principles of anti-trust law to organized labor — was also proposed in 1954. It lost. At the very least, 20 of the 30 members would vote against this today.*

*In the Congress, 216 members of the House and 45 Senators voted a majority of the time last year in accordance with the recommendations of the Americans for Democratic Action, a front organization for most of the left-wing pressure groups, including labor.*

*Both the AFL-CIO and the ADA favor all socialistic proposals of all kinds. Schoolroom construction assistance out of the Federal treasury; foreign aid; public housing; public power; government lending and banking — whatever adds to the power of the federal government and reduces the property and free-*

dom of the individual: the Congressmen elected by organized labor are right there for it.

A sound tax program is impossible; so is any reversal of socialist measures at home. We can't even reduce aid to socialist governments abroad.

**B**usiness has failed to protect itself; and, in its failure, has failed to protect the country from the mad rush towards more and more socialism which we are now seeing in all our government policies. There is not one reversal in sight.

**L**ike Rip Van Winkle, the average businessman has been dead asleep for 20 years — all through the revolution. When he awakens, he will find, as Rip did, a new sign over the door of the inn: the symbol of an entirely new government that won the war he didn't even know had been going on.

Will it be the clasped hands of the AFL-CIO over America?

**O**rganized labor is subject to exactly the same restrictions against political action as business organizations, yet look what unions have done in building a mighty political machine within the last ten years. We cannot rely on political parties to stop labor's political power. Right now, labor can muster more votes on most critical issues than either political party.

Labor's economic monopoly and political power are preparing the way for communism far more effectively than the communists themselves — as was stated by Donald R. Richberg, in his Labor Union Monopoly.

**M**y visitor — the prominent businessman who had contributed money for the re-election of Eisenhower — was startled. He was completely unaware of the progress made by labor leaders in taking over Congress and the

government. Nor was he aware that business hadn't even tried to meet the threat.

**T**here is a reason for such ignorance and failure by organized business.

Business is not really aware of its danger.

The average businessman is milk fed by the representatives of business in Washington — the trade associations, the Washington offices of big corporations, and the Washington lawyers who have business clients.

Washington representatives of business have created the illusion that Congress, or the President, or somebody, will do something to solve their problems. Even some of the best informed businessmen still cling to the illusion that Congress — as badly constituted as we know it to be — might be persuaded by means of lobbying and committee hearings to do what it should.

**T**he latest issue of NAM News devotes a third of its space to the very latest resolutions passed at the very latest meeting of the NAM Board of Directors. Among other things, they propose that Congress cut the Eisenhower budget by \$4.5 billion dollars!

That sounds like the same resolution they have been passing for years. The budget continues to increase.

**T**he United States Chamber of Commerce is now having a series of "Aircades." All over the country, thousands of businessmen will gather in local meetings to be told what they think, what they should resolve; and then, send a copy to Congress!

Although I was told personally by the President of the United States Chamber of Commerce that "at least one reference" would be made to the need for political action, the first Aircade circus in New York managed to avoid the dirty word "politics" altogether.

**W**ithout political action, their resolutions will go the way nearly all such resolutions have gone for years.



**T**here are 1700 national trade associations; 600 regional groups; 2000 state associations; 7500 local associations; 5000 chambers of commerce; 10,000 luncheon and service clubs; and 300 management organizations — almost 30,000 thousand different organizations of and for businessmen.

With so many organizations, it would seem that the businessman would at least be informed of the facts of our political life; that he should be frightened or angry — or patriotic — enough to have taken the necessary steps to protect his business and his family.

*But he hasn't.*

**I**f only a small portion of the money now being spent by and for these thousands of business organizations could be spent precisely as the unions spend theirs, and if their personnel might be employed in downright political action to restore sound government, then we might begin to see a few rays of hope. Business organizations must stop looking for excuses to stay out of politics. Their legal counsels must stop telling them what they can't do. They must tell them what they can do if they only wanted to.

**B**usiness is the only segment of our society — besides labor — that has adequate organizations to do the job that must be done. If these organizations continue to rely on resolutions (as to what somebody else should do), "educational programs," publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letter-writing campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who never agree, we might as well resign ourselves to a continuance of life under a labor socialist government for a long time to come. It is here today. It is no longer just a threat.

**R**ight now in each congressional district a half dozen political leaders in each party are deciding who shall run for Congress. An equal

number of the leading businessmen, if they really cared and represented business, could exert a strong influence on this selection and who gets elected. At present, business is so uninformed that few businessmen know or care about the next Congress. As a result, candidates committed to the labor socialist philosophy of government are being designated for nomination. They will be elected to Congress to get special favors for the special groups who are organized to put them there. Oddly enough, these groups are small minority groups, including labor itself. Ten percent of the vote organized is more than enough to hold the balance of power in most districts and win the elections. The others vote along traditional lines for one party or the other.

**T**hen, after election, business, through its thousands of organizations will spend millions upon millions to present the validity of its ideas to Members of Congress already pledged to be against them. Does this make sense?

**T**he conservatives in Congress will not be satisfied any longer with programs of the mammoth trade associations, Chambers of Commerce and other business organizations designed to "impress upon their members the necessity for political action" — if, in fact, they even bother to throw us that bone! We are told to count upon "the individuals who represent the companies who are members" for action.

*This is to expect a miracle.*

**H**ow are they supposed to function without an organization, without leadership, without funds? How can mere unorganized individuals get political results when their own organizations broadcast optimistic Washington reports, telling of all the lobbying activities, the programs, the resolutions and meetings — the "educational campaigns," and all the other ineffective claptrap by which most business organizations justify their continued existence in Washington?

*For them to confess legislative and political impotence would weaken the intense competition for bigger and better memberships. Until they do confess their impotence, these organizations in and of themselves constitute the biggest obstacle to effective political action. They hold out false promises of political improvements and better business conditions that keep businessmen from assuming the necessary burdens of defending themselves politically.*

*If the businessmen of America, with their tens of thousands of organizations, won't see to it that men are elected committed to restoring constitutional government, who else will?*

*NO ONE! Until business organizations provide the leadership, the money, and the manpower.*

\* \* \* \* \*

## **Labor Union Monopoly**

Henry Regnery Company, Chicago, in 1957, published *Labor Union Monopoly: A Clear and Present Danger*, the most important book of our time on union-management problems.

The book is powerful, provocative and fascinating. It is 175 pages long, in large readable type; and it sells for \$3.50. If you cannot get it at your local bookstore, you can order it by mail directly from the publisher at 64 East Jackson Boulevard, Chicago 4, Illinois; or, you can order it from *The Dan Smoot Report*.

Donald R. Richberg, who wrote *Labor Union Monopoly*, speaks with authority, on the American labor union movement. He was a union attorney for many years. He helped write the Railway Labor Act of 1926 and the National Industrial Recovery Act of 1933; and he served as the last director of the NRA in 1936, under Roosevelt.

Below are excerpts from Mr. Richberg's book.

*Fifty years ago, the picture of a labor union as a weak, idealistic organization of down-trodden workers struggling against an oppressive concentration of property power was often accurate. Any such picture of an established union today is not merely ridiculous; it is willfully or ignorantly untruthful.*

*Today, the greatest concentrations of political and economic power in the United States of America are found — not in the over-criticized, over-investigated, and over-taxed business corporations — and certainly not in their hag-ridden, brow-beaten, publicity-fearful managers. The greatest concentrations of political and economic power are found in the under-regulated, under-criticized, under-investigated, tax-exempt, and specially privileged labor organizations — and in their belligerent, aggressive, and far-too-often lawless and corrupt managers. . . .*

*Labor union monopoly . . . carries with it a threat unknown to other types of economic concentration, a threat that is contained in the long-range goals of the big labor leaders who decide to what uses their recently acquired power shall be put.*

*Long ago, William Z. Foster, head of the American communists, wrote:*

*"American society is headed to communism through an intermediary state of socialism which would be operated on the basis of a planned economy."*

*The outstanding advocates and promoters of a planned economy today are the monopolistic, politically powerful leaders of organized labor.*

*Instead of being a movement of workers banded together for the protection and advancement of their legitimate interests in a free economy, the labor movement has now become a political movement with the objective of establishing a socialist labor government in control of the economic and social life of the nation. In part, this transformation has*

been deliberate, through the counsels and strategy of those who were first of all political reformers, and only secondarily representatives of the laboring classes. . . .

**I**n conclusion, it seems worth while to retrace our steps and to call attention to the unwisdom of all the steps taken by the federal government to legalize and encourage the creation and exercise of monopoly powers by labor unions. This began in the Clayton Act of 1914, which, in itself, sought reasonably to extend relief to labor organizations from unfair and often partisan interpretations of existing laws. A labor union could easily be found to be a combination in restraint of trade, although designed and operated only as a method of reasonable cooperation among many persons to advance their common interests.

**I**t was recognized, however, that all unions and all union activities could not be given a wholesale immunity from anti-monopoly laws, because unions might easily become the means of nullifying all these laws. So, the Clayton Act carefully provided only an immunity from anti-trust prosecution for organization "lawfully" carrying out their "legitimate objects."

**O**bviously, the authors of the Clayton Act and the Congressmen who voted for it had no expectation that the Supreme Court would hold that a union engaged in a sit-down strike was "lawfully" carrying out its objects. Nor was there an expectation that the Court would hold that writing contracts to monopolize the sale of electrical goods in New York City was a "legitimate object" of union activity.

Yet, we have seen that the Supreme Court, combining later laws with the Clayton Act, has established such sweeping immunities for labor union monopolists.

**I**t would need very little legislation, very simply worded, to restore the original Clayton Act limitations.

For the benefit of a Supreme Court majority which overrules the dictionary as well as itself, the word "lawfully" could be defined so that unlawful conduct would not be immunized. Careful definitions could be written in the law explaining what are "legitimate objects" of union activity.

Thus, a majority, instead of a minority, of the Supreme Court might be induced to hold that violations of anti-trust laws and monopolistic contracts clearly in restraint of trade are not "legitimate objects" for a labor union to pursue. . . .

**W**hat is most needed at the present time is not the drafting of a lot of laws that will curb the economic and physical violence of labor union activities. What is most needed, and first needed, is an education of the so-called intellectual stratum of American life to a clear-eyed comprehension of the grave menace to our free economy and our free government in the unchecked growth and continuous spread of labor union monopolies.

Part of the monopoly power of labor unions arises from favoritism in legislation; part, from an unwarranted extension of this favoritism by Supreme Court interpretations; and part, from the timidity, unwillingness, or incapacity of local police officers to enforce the criminal law as it is applied to every other individual or organized violence except that occurring in a strike.

**T**hese evils will not be remedied until an overwhelming majority of free citizens realize that labor's economic monopoly and political power are preparing the way for communism far more effectively than the communists themselves.

**I**t is natural that union propaganda still portrays the unions as weak, defensive organizations of helpless wage earners who are forced to wage a continuing struggle against the ever-threatening oppression of great aggrega-



tions of heartless capital. As a matter of fact, the unions are powerful, aggressive organizations that are engaged in a continuing warfare against the maintenance of a free competitive economy.

Unless this civil warfare is stopped and peaceful competition is substituted for monopolistic coercion in labor relations, a socialized economy and a socialist labor government are inevitable. This, unhappily, is not a remote prospect but one that is rapidly developing.

\* \* \* \* \*

## The Few Who Do

Congressman Ralph Gwinn (see "Clasped Hands of the AFL-CIO," above) believes that only American businessmen have the existing organizations and the money to provide needed leadership for political action to elect a national Congress that will respect the Constitution and withstand the political pressures of big unions — and, he could add, of other pressure groups which work hand-in-glove with the unions: such as, the National Council of Churches; the National Education Association; the National Association for the Advancement of Colored People; the Anti-Defamation League; The American Association for the United Nations; and literally hundreds of others, all enjoying federal tax-exemption for their big-government propaganda work.

Congressman Gwinn beats businessmen over the head for not getting into the critical struggle of our times: the fight to preserve the American constitutional system which made the American business society possible.

I, too, have said many times that American businessmen are proving that Karl Marx was right in 1848 when he said that the bourgeoisie of capitalist countries would dig their own graves. They are proving that Lenin was correct in saying:

*When it is time to hang the capitalists, we will find them bidding against each other for the contract to supply the rope.*

Congressman Gwinn would like to goad businessmen into financing *political action* to save American constitutional government. My emphasis is on *public education* through the media of mass communication, because I do not believe that any amount of money or organization or leadership can save freedom in this country — until a substantial number of voting people have been educated to a realization that freedom is being strangled.

But, in condemning the bulk of businessmen who fear controversy and refuse to fight for their own way of life, we frequently omit praise for the courageous few who *are* doing something.

A few weeks ago, in criticizing General Electric Company for not vigorously joining the fray in its television programs, I did not say that GE has taken a firm stand on one of the most controversial of all issues: right-to-work. GE has publicly announced that, in seeking new plant locations, it will favor states with good right-to-work legislation. If all big companies would do this, they would give a great boost to the national struggle for state laws to protect working men and the public against the tyrannical power of big-union bosses.

I did not mention companies like Warner & Swasey, Cleveland, Ohio, which for years has been running full-page ads in national magazines, pointing out the evils of big government and of socialistic legislation.

Nor did I mention the Allen-Bradley Company, Milwaukee, Wisconsin, which struck a spectacular and effective blow for freedom by running a big ad, stretching across two full pages, in newspapers throughout the nation.

The advertisement — which must have cost Allen-Bradley Company multiple hundreds of

thousands of dollars — reprinted, in full, the testimony which Dr. Frederick Charles Schwarz gave in staff consultation with the House Committee on Un-American Activities, May 29, 1957 (the same testimony which was used in part in this *Report* of April 7, 1958).

**The Allen-Bradley ad has a headline stretching across two newspaper pages, saying: Will you be Free to Celebrate Christmas in the Future?**

The question in this banner headline is answered by a series of subheads:

**NOT UNLESS** *You and other free Americans begin to understand and appreciate the benefits provided by God under the American free enterprise system.*

**NOT UNLESS** *You and other free Americans awaken to the true meaning of communism and understand that it is your enemy.*

**NOT UNLESS** *your children, and their educators, quit swallowing whole the false, sugar-coated one-sided description of vicious communism supplied by dedicated communist sympathizers.*

**NOT UNLESS** *Americans generally begin to understand that communism is not just another political party.*

**NOT UNLESS** *otherwise well-meaning Americans begin to understand that "academic freedom" without morality leads to national suicide.*

In a little block at the bottom of page two of this two-page newspaper advertisement, the advertiser says:

*This reprint (of Dr. Schwarz's testimony) is published and paid for by the Allen-Bradley Company, Milwaukee, Wisconsin. The Allen-Bradley Company manufactures quality motor controls and quality electronic components. But, with this advertisement, this company is trying to sell you nothing except the importance of holding fast to your American freedoms including the freedom to live, the freedom to worship your God, and the freedom to work as you choose, which freedoms are still here in America, but have disappeared over a great part of the rest of the world.*

What a pity that a great company like Allen-Bradley would have to pay newspapers hundreds of thousands of dollars to print something which everyone of them should have been eager to put on the front page as news!

But what a blessing to the cause of freedom that there are companies like Allen-Bradley with the courage and the resources to do it!

## WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He served as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues. Smoot now has no support from, or connections with, any other person or organization. His program is financed entirely from sales of his weekly publication, *The Dan Smoot Report*.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report*.



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